

KAREN R. CAUDLE 9/18/2014

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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION

CLINTON HENDERSON and )  
ANDREW OLINDE, )  
individually and on )  
behalf of all other )  
similarly situated )  
individuals, )  
 )  
Plaintiffs, ) CIVIL ACTION NO.  
 )  
vs. ) 1:13-CV-3767-TWT  
 )  
1400 NORTHSIDE DRIVE, )  
INC. d/b/a SWINGING )  
RICHARDS, AND C.B. )

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JONES, )  
)  
Defendants. )

DEPOSITION OF KAREN A. CAUDLE

(Taken by Plaintiffs)

September 18, 2014

12:00 p.m.

Suite 2700  
260 Peachtree Street  
Atlanta, Georgia

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7 On behalf of the Defendants:

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12 Exhibit 9 SR 440, 11-3-13, Guest Check and EMS Restaurant credit card receipt re: New Year's Eve tickets. 12

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18 Exhibit 12 SR 2037, 4-4-14, Timecard re: Mike Crowley. 19

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1 KAREN A. CAUDLE,  
2 having been first duly sworn, was examined and  
3 testified as follows:

4 EXAMINATION

5 BY MR. LUKAS:

6 Q. Will you please state your full name,  
7 spelling your last name for the record?

8 A. Karen A. Caudle, C-A-U-D-L-E.

9 Q. Ms. Caudle, we were here a couple weeks  
10 back, so you already get the joke on how all this  
11 work. Okay?

12 A. Uh-huh.

13 Q. I just have a couple questions. Now that  
14 I have some documents and exhibits, I just want to  
15 clarify and confirm some things that we talked  
16 about last time and make sure that I understand the  
17 documents.

18 Okay?

19 A. Okay.

20 (Whereupon, Deposition Exhibit  
21 7 was marked.)

22 BY MR. LUKAS:

23 Q. I'm showing you what has been marked as  
24 Plaintiff's Deposition Exhibit Number 7. Could you  
25 tell me what this document is?

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1 A. It's a sign-in and sign-out sheet.

2 Q. And how long has the club been using a  
3 sign-in and sign-out sheet for the entertainers?

4 A. I don't know.

5 Q. For as long as you've been there?

6 A. As long as I've been aware. I don't know  
7 if they were doing it when I came back. But  
8 sometime during the period, I noticed that these  
9 were at the front desk. They're not turned in to  
10 me.

11 Q. These are not turned in to you?

12 A. No.

13 Q. So they're not part of the bookkeeping and  
14 accounting system?

15 A. No.

16 Q. Who are they turned in to?

17 A. They're kept in a binder. And I don't  
18 know that they're turned in to anyone.

19 Q. Who keeps them in a binder?

20 A. The door person.

21 Q. Why are they kept at all?

22 A. I don't know.

23 Q. They're certainly not used for payroll or  
24 any accounting or bookkeeping; correct?

25 A. That's correct.

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1 Q. And you don't know how long they've been  
2 maintained or how far back they go?

3 A. I don't.

4 Q. You don't know if they're used every day  
5 or not?

6 A. I believe they're used every day.

7 Q. For example, when we see this document  
8 with all the handwriting all over it, that's  
9 probably the door person's handwriting?

10 A. I would say that's the individual person  
11 that signs in.

12 Q. And this is kept at the front door?

13 A. Yes.

14 Q. But it's not used in your job as  
15 bookkeeper or to help Jimmy do the accounting or to  
16 track anything --

17 A. No.

18 Q. -- for payroll?

19 A. No.

20 (Whereupon, Deposition Exhibit  
21 8 was marked.)

22 BY MR. LUKAS:

23 Q. Ms. Caudle, showing you what has been  
24 marked as Plaintiff's Exhibit 8. Could you tell me  
25 what this document is?

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1 MR. SCHLANGER: I'm going to -- let me  
2 just interpose one comment. This is not  
3 noticed as a 30(b)(6) deposition, so she's  
4 not testifying on behalf of the corporation.

5 BY MR. LUKAS:

6 Q. Could you tell me what Exhibit 8 is?

7 A. It looks like rules for the front door.

8 Q. Is this something that you had a role in  
9 drafting?

10 A. No.

11 Q. Do you know who did?

12 A. No.

13 Q. Do you know whether these rules are  
14 followed?

15 A. Can I read them?

16 Q. Sure. Take your time.

17 (Whereupon, the document was  
18 reviewed by the witness.)

19 THE WITNESS: Okay. I'm ready.

20 BY MR. LUKAS:

21 Q. Let's go to Paragraph 2. It talks about  
22 handing out the checks to the dancers. Those are  
23 the checks that you write out for the dancers;  
24 correct?

25 A. Yes.

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1 Q. And that's what you put in the blue bag  
2 that the doorman gets when they start their shift?

3 A. Yes.

4 Q. And the third paragraph there talks about  
5 this sign-in sheet, Plaintiff's Exhibit 7 we talked  
6 about; correct?

7 A. Yes.

8 Q. And then the fourth paragraph talks about  
9 two envelopes, one that has Swinging Richards'  
10 house on it?

11 A. Yes.

12 Q. And a second one that says Swinging  
13 Richards' late house. Do you see that?

14 A. Uh-huh.

15 Q. Are those envelopes that you actually  
16 ultimately receive, then?

17 A. Yes.

18 Q. And that's back in the blue bag that you  
19 get at the end of the night, or that's in the safe  
20 when you get in?

21 A. In the safe, yes.

22 Q. And then it says on a third envelope  
23 "write Swinging Richards total." Is that something  
24 that you get in the bag?

25 A. Yes. In the blue bag.

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1 Q. The ninth paragraph talks about a tally  
2 sheet of free entries. Is that something you get?

3 A. This -- excuse me just a minute. On the  
4 third envelope where it says write Richards totals,  
5 date, management name and all that sort of thing,  
6 they have, instead of writing it on the envelope,  
7 they have it printed now on a piece of paper that  
8 they tape to the envelope, or staple, whatever the  
9 case is.

10 And all that is a part of the same  
11 envelope, the envelope that they put the door money  
12 in.

13 Q. I see. So instead of --

14 A. So all that information is on one piece of  
15 paper now.

16 Q. So instead of a third envelope, there's a  
17 piece of paper that goes with the other envelopes?

18 A. Yes.

19 MR. LUKAS: Will you mark this portion?

20 BY MR. LUKAS:

21 Q. Going back now to Paragraph 9, it talks  
22 about a tally sheet. Is a tally sheet something  
23 that you receive in the blue bag at the end -- the  
24 next day?

25 A. Yes. There is a sheet, but I don't think

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1 that the tally sheet that I started putting in  
2 there that just asks them to record -- it does  
3 record how many free people come in, but they also  
4 have that on the outside of the envelope that we  
5 were just discussing also.

6 Q. Paragraph 11 talks about tip-out. There's  
7 no record kept by the --

8 MR. SCHLANGER: Keep going.

9 (Whereupon, there was a telephonic  
10 interruption.)

11 BY MR. LUKAS:

12 Q. There's no record kept of how much dancers  
13 tip out to the front door person; correct?

14 A. That's correct. Not that I know of.

15 Q. And there's no record kept of how much the  
16 dancers tip out the general manager slash D.J.;  
17 correct?

18 A. That's correct.

19 Q. And there's no record kept of how much the  
20 dancers tip out the V.I.P. person; correct?

21 A. That's correct.

22 Q. And then the --

23 A. Excuse me. I'm sorry.

24 Q. That's all right.

25 A. My son kept track of it for a few months

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1 last summer when I asked him to. I think we talked  
2 about that the first time.

3 Q. Yes.

4 A. But he didn't -- he kept it for his own  
5 personal record, so it wasn't kept, like, for  
6 accounting purposes or anything.

7 MR. LUKAS: Will you mark this portion?

8 BY MR. LUKAS:

9 Q. And then it says there's an extra dollar  
10 on the weekends or Friday and Saturday that you are  
11 supposed to receive; right, Karen?

12 A. Yes.

13 Q. And that's for those Breathalyzer tubes?

14 A. Yes.

15 Q. Do you know who wrote this?

16 A. I do not.

17 Q. Do you know how old it is?

18 A. It says Karen/Amy, and Amy worked with me  
19 for I think a little over a year and she's been  
20 gone a year, so it had to be at least two years  
21 old.

22 Q. So I see up in Paragraph 2 where it talks  
23 about Karen/Amy?

24 A. Uh-huh.

25 Q. So it's at least two years old?

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1 A. I would think so, yes.

2 Q. But you can't be any more specific for me  
3 than that?

4 A. No.

5 (Whereupon, Deposition Exhibit  
6 9 was marked.)

7 BY MR. LUKAS:

8 Q. Ms. Caudle, showing you Plaintiff's  
9 Exhibit 9. Could you tell me what this is?

10 A. This gentleman bought two New Year's Eve  
11 tickets.

12 Q. How can you tell that?

13 A. It says New Year's Eve tix two on it. And  
14 the price for the New Year's Eve tickets are 55  
15 dollars. So he bought two, 110 dollars, gave  
16 whoever sold -- I guess whoever sold them the  
17 tickets a ten dollar tip to make a grand total of  
18 120.

19 Q. What is E.M.S. Restaurant?

20 A. That's what they put on the credit card  
21 charges rather than Swinging Richards.

22 Q. I see. Is that true for the V.I.P. room  
23 charges used -- where they use a credit card, so it  
24 says E.M.S. Restaurant on it?

25 A. As far -- yes. I don't believe any of

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1       them say Swinging Richards, yes.

2           Q.     So when the customer gets their credit  
3       card charges back, it just says E.M.S. Restaurant?

4           A.     I've never made a charge.

5           Q.     Well, sure.

6           A.     Yeah. So I'm assuming it would.

7           Q.     That's for privacy reasons, I assume?

8           A.     Yes.

9           Q.     Does this have anything to do with this  
10       lawsuit that you're aware of?

11          A.     The purchase of the New Year's Eve  
12       tickets?

13          Q.     Yes. Is that something dancers were  
14       selling?

15          A.     No.

16                MS. MURPHEY: I think this was one of  
17       the samples I gave you of documents that we  
18       weren't producing but were in the 35 boxes.  
19       This one has New Year's Eve tickets. But if  
20       they bought liquor or drinks, it would have  
21       the tab and then the credit card receipt.

22                And that's what I was showing you we  
23       weren't producing. This is just an odd one  
24       because it has the New Year's Eve tickets.  
25       But it's something that a waitress fills out

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1 for a customer and a customer charge ticket  
2 that's in each transaction for the 35 boxes  
3 that you weren't getting.

4 MR. LUKAS: I see.

5 MS. MURPHEY: So it was a sample. But  
6 it's just, again, to show you what we have  
7 if you wanted to look in the 35 boxes but  
8 that's not being -- you know, wasn't  
9 produced globally to you because it's 35  
10 boxes.

11 BY MR. LUKAS:

12 Q. Ms. Caudle, so it's just coincidental it  
13 says New Year's Eve tickets?

14 A. Yes.

15 Q. This could be any charge that the customer  
16 makes for beverages at the club; correct?

17 A. Yes.

18 Q. And the guest check and the receipt are  
19 maintained?

20 A. Yes.

21 MR. LUKAS: Thank you for that  
22 clarification.

23 (Whereupon, Deposition Exhibit  
24 10 was marked.)

25 BY MR. LUKAS:

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1 Q. Ms. Caudle, showing you Plaintiff's  
2 Exhibit 10. Could you tell me what that document  
3 is?

4 A. It's the list of V.I.P.

5 Q. What does this tell us? Let's go to the  
6 very top line and go across, and you can explain to  
7 us what this tells us.

8 A. The first column is the number of rooms.  
9 And then the second column is the room number  
10 itself, so they can -- I can't even say the word.  
11 Then we have time in, what time they came into the  
12 room, what time they left, entertainer's stage  
13 name, the amount of cash the customer paid or the  
14 amount of credit the customer paid for use of the  
15 room.

16 Q. And these dollar amounts that we see here  
17 are just for the room rental charge; correct?

18 A. That's correct.

19 Q. And that's the room rental charge that's  
20 paid to the club; correct?

21 A. A room rental what, I'm sorry?

22 Q. The room rental charge that's paid to the  
23 club.

24 A. Yes.

25 Q. This doesn't reflect the amount paid to

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1 the entertainer?

2 A. No.

3 Q. And what, if anything, do you do with  
4 these sheets?

5 A. I file them with the rest of the day's  
6 paperwork.

7 Q. Is it something that goes to Jimmy or is  
8 it just filed?

9 A. It's just filed.

10 Q. It's not something that's used in your  
11 accounting or bookkeeping?

12 A. No.

13 Q. And let's look at the third page of this  
14 document. What is the third page?

15 A. It's just -- breaks down the amount of  
16 currency, how many wrist bands are sold.

17 Q. Do you use this for anything in your job  
18 as bookkeeper?

19 A. Yes.

20 Q. What do you use this for?

21 A. To make sure that the totals match with  
22 the money that I have in the back.

23 Q. All right. So you're looking for any  
24 discrepancies?

25 A. Yes.

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1 Q. And if there are no discrepancies, what,  
2 if anything, do you do with this document?

3 A. It goes in the folder with the rest of the  
4 day's work.

5 Q. Is that something that goes to Jimmy?

6 A. No.

7 Q. Where, if anywhere, is a tip paid to the  
8 door person, the V.I.P. door person with a credit  
9 card charge from a customer?

10 A. It would be on the credit card charge.

11 Q. But it wouldn't be reflected on this  
12 document, Plaintiff's Exhibit 10?

13 A. No.

14 Q. And how do you know as the bookkeeper that  
15 that credit card charge includes a tip to the  
16 V.I.P. door person?

17 A. Because a customer would have written the  
18 tip on the credit card charge, on the slip itself.  
19 Like right there, tip.

20 Q. And you're showing me Plaintiff's Exhibit  
21 9, it would be on the tip line?

22 A. Yes.

23 Q. And you'd know that wasn't for the  
24 entertainer why?

25 A. Because the entertainer's money would be

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1 on an IOU slip.

2 (Whereupon, Deposition Exhibit  
3 11 was marked.)

4 BY MR. LUKAS:

5 Q. Showing you Plaintiff's Exhibit 11. Do  
6 you know what that document is?

7 A. It's a copy of the house envelope.

8 Q. When you say "of the house envelope," what  
9 does that mean? What's in the envelope?

10 A. Money that the entertainers pay at the end  
11 of -- or I'm going to assume at the end of the  
12 night that they pay to work there.

13 Q. That's the house fee?

14 A. Uh-huh.

15 Q. I need you to answer verbally.

16 A. Yes.

17 Q. The envelope isn't something that's  
18 normally maintained --

19 A. Yes.

20 Q. -- is it?

21 A. Yes, it is.

22 Q. Where do you keep the envelopes?

23 A. In the folder with the rest of that day's  
24 work.

25 Q. And why is that kept?

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1 A. I have no idea.

2 Q. You don't do anything with it, do you?

3 A. Other than keep it, no.

4 Q. You don't use it to audit or to make sure  
5 that there's no discrepancies or anything?

6 A. Oh, yes. If I feel that the money is  
7 short, then yes, I can count the number of people  
8 that worked and use that as a, I don't know how to  
9 explain it, as a way of making sure that all the  
10 money's there.

11 Q. As I understand it, some dancers pay --  
12 don't have to pay if they're the first one there  
13 and there are certain rules like that; right?

14 A. I know the first one there does not pay.  
15 I know that they don't -- if they have to leave for  
16 an emergency, they pay. But I'm not certain of the  
17 particulars.

18 Q. So it wouldn't be something you'd be able  
19 to use for precision, but you could look at it  
20 generally to see if it lines up with what you're  
21 holding in your hand for house fees?

22 A. Yes.

23 (Whereupon, Deposition Exhibit  
24 12 was marked.)

25 BY MR. LUKAS:

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1 Q. Ms. Caudle, showing you exhibit --  
2 Plaintiff's Exhibit 12. Can you tell me what this  
3 document is?

4 A. This is a timecard.

5 Q. And how long was this -- or is this  
6 currently in use?

7 A. No.

8 Q. When was it in use?

9 A. April the 4th.

10 Q. Of 2014?

11 A. Yes.

12 Q. For how long?

13 MR. SCHLANGER: She may have  
14 misunderstood the question.

15 MR. LUKAS: Sure.

16 MR. SCHLANGER: She was answering  
17 specifically about this document, which is  
18 April 4th. The question is how long has  
19 this form been used.

20 MR. LUKAS: Oh. Yes.

21 THE WITNESS: We used it for about a  
22 month. They used timecards for about a  
23 month.

24 BY MR. LUKAS:

25 Q. And apparently that timecard period was

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1 around April of 2014?

2 A. Apparently.

3 Q. And we know that because the four slash  
4 four means April 4th; right?

5 A. Yes.

6 Q. And we know it's 2014 because that's your  
7 memory?

8 A. Yes. 2014.

9 Q. And you used it for about a month?

10 A. Yes. Timecards for about a month.

11 Q. And why was it instituted? Why did you  
12 start using it?

13 A. So we could keep track of when they  
14 worked.

15 Q. Why?

16 A. I don't know.

17 Q. And why was it discontinued?

18 A. We started timesheets.

19 Q. And why do you use timesheets instead of  
20 these sheets?

21 A. They were more thorough.

22 (Whereupon, Deposition Exhibit  
23 13 was marked.)

24 BY MR. LUKAS:

25 Q. Showing you Plaintiff's 13. Are these the

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1 timesheets you started using in place of the  
2 Exhibit 12?

3 A. Yes.

4 Q. And I believe we talked about these in  
5 your last deposition; correct?

6 A. Yes, we did.

7 Q. We were kind of guessing what was on them  
8 and wasn't on them?

9 A. Right.

10 Q. And these have been in use since now we  
11 know probably April, sometime around April or May  
12 of 2014?

13 A. Yes.

14 Q. And are they still currently being used?

15 A. Yes.

16 Q. And what, if anything, do you do with  
17 the -- well, first of all, who collects these?

18 A. I do.

19 Q. And how do you collect them?

20 A. They put them underneath the desk at the  
21 door.

22 Q. This is what we were talking about that  
23 goes under the desk. And what do you do with them?

24 A. I file them.

25 Q. And that's all you do is file them;

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1 correct?

2 A. Correct.

3 Q. You don't use them for any bookkeeping or  
4 pass it on to Jimmy or anything else like that?

5 A. No.

6 Q. Does Swinging Richards collect money for  
7 fines for anything other than being late, from  
8 entertainers, I should be more precise?

9 A. They have on a rare occasion, so rare that  
10 I could not tell you what it was for.

11 Q. But the vast, vast majority of these fines  
12 are for being late?

13 A. Yes.

14 Q. How are the waiters and bartenders paid?

15 A. On payroll wage, an hourly wage.

16 Q. And they get to keep their tips?

17 A. Yes.

18 Q. Is there any attempt by the club to use a  
19 tip credit to reduce their hourly wage paid, or is  
20 there no such effort?

21 A. There's no such effort.

22 Q. How much are the waiters paid hourly?

23 A. Waiters are 4.34 an hour.

24 Q. And how about bartenders?

25 A. 4.37 an hour.

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1 Q. And that's why you have to report to  
2 Paychex what they report for their -- they  
3 individually report as their tips?

4 A. Right. Yes.

5 MS. MURPHEY: I think she didn't  
6 understand your --

7 MR. LUKAS: Yes.

8 MS. MURPHEY: -- earlier question about  
9 the tip wage.

10 MR. LUKAS: Yes.

11 MS. MURPHEY: Obviously they do tip  
12 wage.

13 MR. LUKAS: I get it.

14 THE WITNESS: I thought there was  
15 something more to it.

16 BY MR. LUKAS:

17 Q. No. And the general manager slash D.J.,  
18 in other words, Matt and August, they're not  
19 included in the payroll; correct?

20 A. Correct.

21 Q. Are they issued 1099s?

22 A. No.

23 Q. They're paid exclusively by the  
24 entertainers tipping them out at the end of the  
25 night; correct?

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1 A. Yes.

2 Q. And there's no record kept, again,  
3 formally of how much they make?

4 A. No. Although August does work V.I.P.  
5 door, too. So he gets an hourly wage and tips --

6 Q. I see.

7 A. -- when he does that position.

8 Q. I should -- that's a good point. The  
9 front door and the V.I.P. door people are also paid  
10 hourly?

11 A. Yes.

12 Q. And what's their hourly wage?

13 A. 12 dollars.

14 Q. And they're allowed to keep their tips as  
15 well; right?

16 A. Yes.

17 Q. But you don't track those tips?

18 A. No.

19 Q. If a V.I.P. door, I think I remember this  
20 from last time, if a V.I.P. door person receives a  
21 tip on a credit card, that gets paid out through  
22 the bartenders' drawer, and that's where that could  
23 be captured; right?

24 A. Yes.

25 MR. LUKAS: Thank you, ma'am.

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1 (Whereupon, a discussion ensued off  
2 the record.)

3 (Whereupon, the reading and signing  
4 of the deposition by the witness was  
5 reserved.)

6 (Deposition concluded at 12:30 p.m.)

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1 C E R T I F I C A T E

2 DISTRICT COURT )  
3 NORTHERN DISTRICT )  
4 ATLANTA DIVISION )

5 I, Debra M. Druzisky, a Certified Court  
6 Reporter in and for the State of Georgia, do hereby  
7 certify:

8 That prior to being examined, the witness  
9 named in the foregoing deposition was by me duly  
10 sworn to testify to the truth, the whole truth, and  
11 nothing but the truth;

12 That said deposition was taken before me  
13 at the time and place set forth and was taken down  
14 by me in shorthand and thereafter reduced to  
15 computerized transcription under my direction and  
16 supervision. And I hereby certify the foregoing  
17 deposition is a full, true and correct transcript  
18 of my shorthand notes so taken.

19 I further certify that I am not of kin or  
20 counsel to the parties in the case, and I am not in  
21 the regular employ of counsel for any of the said  
22 parties, nor am I in any way financially interested  
23 in the result of said case.

24 IN WITNESS WHEREOF, I have hereunto  
25 subscribed my name this 2nd day of October, 2014.

\_\_\_\_\_  
Debra M. Druzisky  
Georgia CCR-B-1848

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